

Community Development Block Grant (CDBG) Program Overview

The Community Development Block Grant (CDBG) program, initiated in 1974, is one of the oldest programs at the U.S. Department of Housing and Urban Development (HUD). CDBG grants are provided on an annual basis to communities such as Takoma Park to ensure decent affordable housing for all, provide services to the most vulnerable, create jobs, and expand business opportunities.

CDBG National Objectives

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet. The City must assure that all activities meet one of two national objectives of the program. Each activity must either benefit people with low- and moderate-incomes, and/or aid in the prevention of slums and blight. Activities that do not meet one of these two broad national objectives cannot be undertaken with CDBG funds.

Low and Moderate Income Benefit

Generally, CDBG activities benefit people with low- and moderate-incomes (LMI). **For an activity to meet this objective, it must have either income eligibility requirements that limit the activity's benefits to LMI persons, or be located in and serve an area that is predominantly inhabited by LMI residents (a map of these areas is attached). Under the CDBG regulations, programs that serve the elderly or persons with disabilities are usually considered to benefit low- and moderate-income persons.**

HUD INCOME LIMITS

Family Size	Low Income	Moderate Income
1	\$31,250	\$40,600
2	\$35,700	\$46,400
3	\$40,200	\$52,200
4	\$44,650	\$58,000
5	\$48,200	\$62,650
6	\$51,800	\$67,300
7	\$55,350	\$71,900
8	\$58,950	\$76,550

To meet this objective, no less than fifty-one percent (51%) of the persons benefitting from an activity must qualify under the low and moderate income limits. **Not less than seventy-percent (70%) of the City's overall CDBG activities must serve LMI persons.**

Slums and Blight

For an activity to meet the second objective, it must be designed to address and ameliorate the conditions causing the slums and blight. The City determines which areas qualify under removal of slums and blight. It is rare for an application to be funded under this objective.

Eligibility Criteria

CDBG regulations further require that an activity selected for funding must

- Provide a new or an expanded level of an existing public service to populations with special needs, such as supportive services for the homeless, persons with HIV/AIDS, the elderly, abused persons, children-at-risk, persons with mental or physical disabilities, or new immigrant populations; or
- Eliminate conditions detrimental to health, safety, and public welfare; or
- Stimulate economic growth, development, and employment opportunities that will principally benefit LMI persons; or
- Support fair housing through education, counseling, legal assistance, and consumer protection programs.

Ineligible Activities

Certain types of activities are ineligible for CDBG assistance. The following types of activities are generally ineligible for CDBG funding.

- Construction of, or improvements to, general government buildings and schools.
- Routine operation, maintenance, and repair activities for public facilities.
- Assistance to churches or church-affiliated organizations unless a clear separation of purpose, mission, and organizational relationship can be established between the church and the CDBG funded activities.

Policies and Priorities for Public Service Grants

In addition to these requirements, policies based on federal requirements for the program and local needs and funding priorities, govern the expenditure of CDBG funds.

- CDBG funds will not go to one organization for the same project (or a substantially similar project) for more than three (3) years.

- Organizations which receive funds in year one, are not guaranteed funding in years two and three. Future funding is dependent on many factors, including performance.
- Grantees may only lease, not purchase, capital equipment with CDBG funds.

CDBG Funding Level

CDBG funds are allocated by HUD on an annual basis using a formula which considers several objective measures of community needs (for example, the extent of poverty, housing overcrowding, ages of housing, and slowly or declining population growth in relationship to other metropolitan areas). Funding is distributed to states and entitlement communities with smaller communities such as Takoma Park receiving a portion of the funds allocated for the larger entitlement community (in this case, Montgomery County).

The level of CDBG funding the City receives varies from year to year. Not more than fifteen percent (15%) of the funds can be spent on public service activities - projects which generally provide direct benefit to LMI persons. Last year the City received \$167,000. Of this amount, \$25,000 was available for public service projects. The balance was allocated for a variety of capital projects.

<u>Program Year 32 (2007)</u>		<u>Program Year 29 (2004)</u>	
Holton Lane Streetscape	\$ 70,000	CUC Elderly Health Care	\$ 8,000
Maple Avenue Planning	\$ 50,000	Takoma Park - Organizing	\$ 17,050
ADA Accessibility Plan	\$ 25,000	Streetscape Projects	<u>\$ 141,950</u>
CUC: Victory Tower Health Care	\$ 12,500	Total	\$ 167,000
Boys and Girls Club Sports Program	\$ 8,250	<u>Program Year 28 (2003)</u>	
Manna Foods, Inc.	<u>\$ 4,500</u>	Streetscape Projects	\$ 110,000
<u>Total</u>	\$ 170,250	CASA de Maryland - Organizing	\$ 10,000
<u>Program Year 31 (2006)</u>		Takoma Park Presbyterian Church	\$ 11,000
Streetscape Projects	\$ 141,950	Boys and Girls Home Renovation	\$ 7,900
Capacity Building Program	\$ 9,000	T.P. Family Resource Center	\$ 14,400
CSAFE - Takoma Park	\$ 9,000	Gateway Learning Center	<u>\$ 8,700</u>
Hearts and Home for Youth	<u>\$ 7,050</u>	Total	\$ 167,000
Total	\$ 167,000	<u>Program Year 27 (2002)</u>	
<u>Program Year 30 (2005)</u>		Streetscape Projects	\$ 141,950
Streetscape Projects	\$ 125,000	Community Organizing	<u>\$ 25,000</u>
Takoma Park Boy's and Girls Club	\$ 12,525	Total	\$ 166,950
CSAFE - Takoma Park	\$ 12,525		
MC Housing Program	<u>\$ 16,950</u>		
Total	\$ 167,000		

Program Year 26 (2001)

History of Takoma Park	\$ 15,000
Maple Path Park	\$ 36,800
Takoma Langley Improvements	\$ 89,000
Grant Avenue Sidewalk Project	\$ 19,000
ADA Sidewalk improvements	<u>\$ 16,000</u>
Total	\$ 175,800

For more information, please contact

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